



UNITED STATES OF AMERICA
DEPARTMENT OF TRANSPORTATION
OFFICE OF THE SECRETARY
WASHINGTON, D.C.

Served: January 22, 1998

Issued by the Department of Transportation
on the 22nd day of January, 1998

Joint Application of

AMERICAN AIRLINES, INC.

and

LINEA AEREA NACIONAL CHILE,
S.A. (LAN CHILE)

under 49 U.S.C. Sections 41308 and 41309 for
approval of **and** antitrust immunity for alliance
agreement

Docket OST-97-3285 - 7

ORDER

On December 23, 1997, American Airlines, Inc. ("American") and **Linea Aerea Nacional** Chile, S.A. ("**Lan Chile**"), together "the Joint Applicants", filed an application for approval of **and** antitrust immunity for an alliance agreement under §§ 41308 and 41309 of Title 49 of the United States Code. The Joint Applicants also **filed** a motion under 14 C.F.R. 302.39 for confidential treatment of documents **submitted** in support of that application.

Previously, we granted interested parties immediate access to the **confidential** materials in this docket covered by the Rule 39 motion, subject to conditions (see Notice issued January 9, 1997). At that time, we stated that we had not yet determined that the **evidentiary** record of this case was complete. We also stated that further procedural measures, including deadlines for answers or other filings, **would be** established later.

The **staff** has now finished its preliminary review of the application, including documents for which the Joint Applicants have sought confidential treatment under Rule 39, **and** finds that the request is deficient in certain respects. Therefore, we direct the Joint Applicants to revise and amend their application, as prescribed below.

Joint Supplemental Response

1. Each of the Applicants **failed** to provide an index for its confidentially-filed materials, as required by 14 C.F.R. 302.39 (e)(2)(i). In order to facilitate review of these materials by any interested party, **American and Lan Chile** should each **submit a subject-index**. The subject-index should at **least** contain the following elements: (a) based on section 5 of the application (pp 44-64), list each of the additional information requirement items (by number and description) that the confidential materials are responsive to; and (b) associate each additional information requirement item with an appropriate Bates number or range that is responsive to it.

While we have specified two descriptive elements to be employed in developing an index, our interest in this matter is to facilitate prompt **and full** review of these materials by interested parties.

For this **reason**, if the Joint Applicants can craft a more “user-friendly” index, we **fully** encourage and endorse the applicants’ efforts. The above two categories, however, must be included.

2. The Joint Applicants have submitted several redacted documents.¹ In order that we may **determine** the relevance of these documents to our public interest assessment of this proposed alliance, we direct the Joint Applicants to submit complete copies of all redacted documents to Regis P. Milan ((202) 366-2349, Room 640 1 I) for review.

American Supplemental Response

3. Explain why certain confidentially filed pages are blank: for example, **AA0000375-377**
4. Certain confidentially filed pages are illegible: for example, **AA0000380-403**, 420, and 424.

Lan Chile Supplemental Response

5. Lan Chile’s confidential submission states that English translations accompany all **Spanish-language** documents. We direct Lan Chile to provide English language translations for various confidentially-filed material: for example, (a) Exhibit JA-3, and (b) the various numeric charts/tables (titles and headings).

6. Lan Chile states that it has modeled its evidence request submissions consistent with Docket OST-97-2058. In that case, the Department required the foreign applicant to file O&D **traffic** data for its top 100 markets that involve a U.S. passenger origin destination, or connecting point for a two-year period. Explain why Lan **Chile has** limited its O&D data submission to the top 25 markets that involve a U.S. passenger origin, destination, or connecting point for one year (1996).

Accordingly:

1. We direct American Airlines, Inc. and **Linea Aerea Nacional** Chile, S.A. to provide the supplemental information/explanations described in this order; and
2. We will serve this order on all interested parties.

By:

CHARLES A. **HUNNICUTT**
Assistant Secretary for Aviation
and International **Affairs**

(SEAL)

*An electronic version of this document is available on the World Wide Web at:
<http://dms.dot.gov/general/orders/aviation.html>*

¹ For example, (1) American’s Interline Reduced Rate Agreement, (2) the Joint Applicants’ Special Prorate Agreement, (3) AA Advantage Participating Carrier Agreement, (4) Lan Pass Participating Carrier Agreement, and (5) the CodeShare Agreement, dated September 5, 1997.